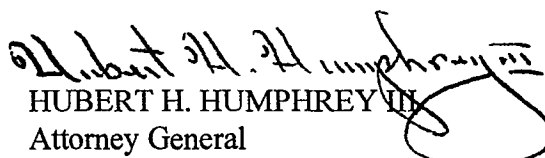


Ms. Ellen Merlo
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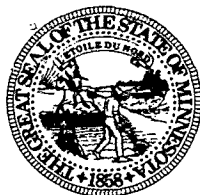
Such law enforcement programs have been successful in many communities. In St. Paul, Minnesota, about 80 percent of undercover teen shoppers were sold tobacco before such program was in place. With law enforcement measures in operation, only 8 percent of minors were sold tobacco. If Philip Morris is serious about wanting to keep tobacco away from kids, you will instruct your lobbyists to reverse their aggressive stance against the pending legislative proposal in Minnesota to take these critical steps.

Thank you for your consideration. I look forward to your response.

With best regards,


HUBERT H. HUMPHREY III
Attorney General

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STATE OF MINNESOTA
OFFICE OF THE ATTORNEY GENERAL

HUBERT H. HUMPHREY III
ATTORNEY GENERAL

102 STATE CAPITOL
ST. PAUL, MN 55155-1002
TELEPHONE: (612) 296-6196

December 1, 1995

Ms. Ellen Merlo
Senior Vice President of Corporate Affairs
Philip Morris U.S.A.
120 Park Avenue
New York, NY 10017

Dear Ms. Merlo:

Thank you for your October 31, 1995, response to my letter about Philip Morris' failure to keep its Action Against Access promise to deny merchandising benefits to retailers fined for or convicted of illegally selling tobacco to children.

I am disappointed to learn that Philip Morris refuses to enforce its promise to deny merchandising benefits to lawbreakers. This promise could be a powerful tool in keeping tobacco away from children, if it were acutally enforced. However, in addition to the fact that a program is not yet operating almost six months after the Action Against Access promise was made with great fanfare, the manner in which you intend to eventually administer the program makes a mockery of the pledge.

I find it incredible that Philip Morris does not intend to seek out violators, but will only act if local law enforcement officials take it upon themselves to deliver detailed documentation to you. Philip Morris knows that law enforcement officials have their hands full enforcing *laws*, and do not have adequate time or resources to enforce corporate *pledges*. The fact that you refuse to actively seek out offenders speaks volumes about the sincerity with which Philip Morris approaches the challenge of keeping a keeping tobacco away from underage smokers, the group that traditionally has been the biggest source of your future adult customer base.

I challenge Philip Morris to vigorously enforce *all* of its Action Against Access promises. Specifically, I challenge you to proactively seek out all tobacco sellers fined for or convicted of selling cigarettes to minors and immediately rescind all of their merchandising payments. I also challenge you to make good on your Action Against Access promise to help enact laws for "reasonable licensure of retailers." As you know, contrary to this pledge, Philip Morris's representatives worked fiercely to defeat just such a proposal in Minnesota's legislature earlier this year and are continuing their efforts to block the legislation in the upcoming 1996 session. You can honor your pledge in Minnesota and other states by supporting the most effective ways to limit underage access, according to University of Minnesota researchers -- a licensing program that uses secret shoppers and penalties to ensure sellers are accountable for obeying the law.

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